

**CENTRAL SHENANDOAH EMERGENCY
MEDICAL SERVICES COUNCIL, INC.**

FINANCIAL STATEMENTS
June 30, 2007

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Independent Auditor's Report

The Board of Directors
Central Shenandoah Emergency Medical Services Council, Inc.
Staunton, Virginia

We have audited the accompanying statement of financial position of Central Shenandoah Emergency Medical Services Council, Inc. (Council) as of June 30, 2007, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to the above present fairly, in all material respects, the financial position of Central Shenandoah Emergency Medical Services Council, Inc. as of June 30, 2007, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Clifton Gunderson LLP

Glen Allen, Virginia
April 9, 2009

FINANCIAL STATEMENTS

CENTRAL SHENANDOAH EMERGENCY MEDICAL SERVICES COUNCIL, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2007

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 538,103
Accounts receivable	8,920
Other assets	<u>203</u>

Total current assets	<u>547,226</u>
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PROPERTY AND EQUIPMENT

Land	53,299
Building and improvements	123,043
Furniture, fixtures and equipment	130,320
Vehicles	<u>45,144</u>

	351,806
Less: accumulated depreciation	<u>(142,582)</u>

Total property and equipment	<u>209,224</u>
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TOTAL ASSETS	<u>\$ 756,450</u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 7,544
Accrued expenses and other liabilities	13,547
Deposits held for others	<u>277,749</u>

Total current liabilities	298,840
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NET ASSETS	<u>457,610</u>
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TOTAL LIABILITIES AND NET ASSETS	<u>\$ 756,450</u>
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The accompanying notes are an integral part of the financial statements.

CENTRAL SHENANDOAH EMERGENCY MEDICAL SERVICES COUNCIL, INC.
STATEMENT OF ACTIVITIES
Year Ended June 30, 2007

SUPPORT AND REVENUE

Donations	
Government	\$ 83,470
Hospitals	33,180
Grants- Virginia Department of Health	142,249
Four-for-Life funds	56,720
Contract –Base OEMS	201,271
Contract –ALS OEMS	15,152
Contracted services	4,896
EMS courses	19,464
Community Training Center revenue	33,342
Consolidated test revenue	10,945
Sales of manuals and texts	35,295
Investment income	22,776
Net rental income	5,153
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Total support and revenue	663,913

PROGRAM SERVICES

Salaries	164,959
Equipment	117,577
Manuals and texts	10,501
Adjunct staff fees	17,271
Consolidated testing costs	7,983
Community Training Center costs	64,626
Printing and reproduction	13,335
Depreciation	11,168
Travel	2,476
Taxes and licenses	13,241
Continuing education	1,224
Repairs and maintenance	736
Training supplies	10,858
OMD contract	10,000
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Total program services	445,955

MANAGEMENT AND GENERAL EXPENSES

Salaries	73,975
Taxes and licenses	5,909
Depreciation	6,209
Other	43,953
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Total management and general expenses	130,046
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Total expenses	576,001

NET ASSETS, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	444,015
Prior period adjustments (see Note 9)	(74,317)
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NET ASSETS, BEGINNING OF YEAR, AS RESTATED	369,698
CHANGE IN NET ASSETS	87,912
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NET ASSETS, END OF YEAR	<u><u>\$ 457,610</u></u>

The accompanying notes are an integral part of the financial statements.

CENTRAL SHENANDOAH EMERGENCY MEDICAL SERVICES COUNCIL, INC.
STATEMENT OF CASH FLOWS
Year Ended June 30, 2007

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 87,912
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	19,780
Effects of changes in operating assets and liabilities:	
Accounts receivable	124,735
Other assets	270
Accounts payable	7,544
Accrued expenses and other liabilities	(2,846)
Deposits held for others	<u>(71,000)</u>
Net cash provided by operating activities	<u>166,395</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property and equipment	<u>(39,217)</u>
Net cash used in investing activities	<u>(39,217)</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS

127,178

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR

410,925

CASH AND CASH EQUIVALENTS, END OF YEAR

\$ 538,103

The accompanying notes are an integral part of the financial statements.

CENTRAL SHENANDOAH EMERGENCY MEDICAL SERVICES COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2007

NOTE 1 – ORGANIZATION

Central Shenandoah Emergency Medical Services Council, Inc., (the Council or CSEMS) is operated for the purpose of coordinating and facilitating better emergency services in the Central Shenandoah area. The Council is funded primarily through grants issued by the Office of Emergency Medical Services of the Commonwealth of Virginia (OEMS), from surrounding counties and localities, from area hospitals that indirectly benefit from the training provided by the Council, from agencies sharing funds collected from Four-For-Life funds received from the Virginia Department of Health and from conducted training courses and the sales of books and other related training items. The area encompasses the counties of Augusta, Bath, Highland, Rockbridge, and Rockingham, including the cities of Buena Vista, Harrisonburg, Lexington, Staunton, and Waynesboro.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No.117, the Council is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

The financial statements have been prepared on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect. Amounts that management believes to be uncollectible, after collection efforts have been completed, are written off. Management believes that all accounts receivable are fully collectible; therefore, no allowance for doubtful accounts has been recorded.

Revenue Recognition

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. The Council follows a policy of recognizing donations and grants as unrestricted as all expenditures related to donations and grants are met by the end of the fiscal year.

Property and Equipment

Fixed properties are recoded at cost and depreciation is provided for over the estimated useful lives (ranging from 5 to 39 years) of the assets using the straight-line method of depreciation. The Council capitalizes cost of additions of property and equipment in excess of \$200.

CENTRAL SHENANDOAH EMERGENCY MEDICAL SERVICES COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2007

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In-Kind Contributions

Contributions of goods and services provided to the Council without cost are recorded at fair market value, and are recorded as both support and expense. Fair market value is determined by using current prices.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Council considers all highly liquid investments purchased with a maturity of twelve months or less to be cash equivalents.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Tax Exempt Status

The Council is exempt from federal income tax under Internal Revenue Code Section 501 (c)(3). It is classified as an organization that is not a private foundation under Section 509(a).

NOTE 3 – RENTAL INCOME

The Council leases a portion of its space to a third party. Rental income of approximately \$8,000 is received yearly under a month-to-month renewable lease. A portion of depreciation and property tax expense are allocated against the rental income. For the year ended June 30, 2007, net rental income of \$5,153 is included in the statement of activities.

NOTE 4 – IN-KIND CONTRIBUTIONS

For the year ended June 30, 2007, contributions consisting of postage and copy services totaling \$3,123 is recorded as support and related expense at their fair market estimated values.

CENTRAL SHENANDOAH EMERGENCY MEDICAL SERVICES COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2007

NOTE 5 – FOUR-FOR-LIFE PROGRAM

The Four-For-Life program requires that the Department of Health return a portion of registration fees to localities to provide funding for training and purchase of equipment and supplies for licensed nonprofit emergency medical agencies. Under an informal agreement with its member agencies, the Council receives monies from participating agencies (mainly rescue squads), related to the Four-For-Life program on an annual basis. Under the informal agreement, the Council holds the money until requested by its member agencies. The Council receives 35% of the yearly Four-For-Life to be utilized for training and other purposes for its member agencies. During the year ended June 30, 2007, the Council recognized \$56,720 of income related to this program in the Statement of Activities. In addition, as of June 30, 2007, \$277,749 is shown as a liability on the Statement of Financial Position that is payable to the member agencies upon request of the member agency.

NOTE 6 – ECONOMIC DEPENDENCE

The Council receives a significant portion of its revenue and support yearly from OEMS under various contracts and grants. In addition, the Council receives significant support from local government jurisdictions and area hospitals.

NOTE 7 – CONCENTRATION OF CREDIT RISK

CSEMS maintains balances in two banks in excess of the \$100,000 amount insured by the F.D.I.C.

NOTE 8 – FUNCTIONAL EXPENSES

The costs of providing the various programs and other activities are summarized in the Statement of Activities. Management has allocated certain costs to management and general expense based on its review of the expense and the relationship to the program or supporting services that it relates to.

CENTRAL SHENANDOAH EMERGENCY MEDICAL SERVICES COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2007

NOTE 9 – PRIOR PERIOD ADJUSTMENTS

Certain items recorded in the 2007 fiscal year were determined by management to relate to the previous fiscal year. These items are summarized as follows:

Write-off of receivable from rescue squad	\$ (7,219)
Correction of cash reconciliation items	9,530
Write-off of receivable from Government agency	(16,597)
Record vacation accrual	(10,773)
Record Four-For-Life program agency rebate	(21,829)
Remove property and equipment not owned by CSEMS	<u>(27,429)</u>
 Total correction of errors	 (74,317)
 Net assets, as previously reported	 <u>444,015</u>
 Net assets, as restated	 <u><u>\$ 369,698</u></u>

This information is an integral part of the accompanying financial statements.